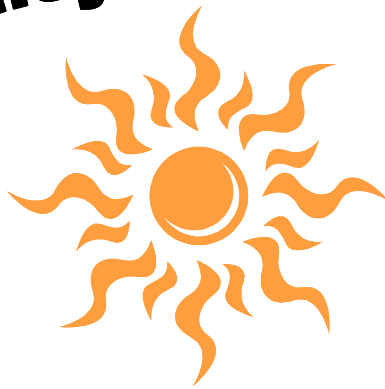


**Valley of the Sun**



**Clean Cities Coalition**

**Governance Policy**

October 1, 2004

**Valley of the Sun Clean Cities Coalition  
Maricopa County, AZ**

*Facilitated by, and prepared for, VSCCC by  
John Hamon  
Thomason & Associates, Inc.*

## **Executive Limitations Policy**

### ***Policy EL #1: Global Executive Limitations Policy***

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*The Executive Director shall not cause or allow any practice, activity, decision, or organizational circumstance that is:*

- 1. unlawful,*
- 2. imprudent,*
- 3. in violation of commonly accepted business and professional ethics, or*
- 4. in violation of regulations of funding agencies or regulatory bodies.*

### ***Policy EL #2a: Treatment of Valley of the Sun Residents***

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With respect to interactions with Valley of the Sun Residents, the Executive Director shall not cause or allow conditions, procedures or decisions that are unsafe, undignified, unnecessarily intrusive, or that fail to provide appropriate confidentiality or privacy.

### ***Policy EL #2b: Treatment of Staff***

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With respect to the treatment of paid and volunteer staff, the Executive Director may not cause or allow conditions that are unfair or undignified.

### ***Policy EL #2c: Financial Planning and Budgeting***

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Financial planning for any fiscal year or the remaining part of any fiscal year shall not deviate materially from the board's Ends priorities, risk fiscal jeopardy, or fail to be derived from a plan.

Accordingly the Executive Director shall not allow budgeting that:

1. Contains too little information to enable credible projection of revenues and expenses, separation of capital and operational items, cash flow, and disclosure of planning assumptions.
2. Plans the expenditure in any fiscal year of more funds than are conservatively projected to be received in that period.
3. Allows cash to drop below a safety reserve of less than \$2,500 at any time.

### ***Policy EL #2d: Financial Conditions and Activities***

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With respect to the actual, ongoing financial conditions and activities, the Executive Director shall not cause or allow the development of fiscal jeopardy or a material deviation of actual expenditures from board priorities established in Ends policies.

Accordingly, the Executive Director shall not

1. Expend more funds than have been received in the fiscal year to date
2. Indebt the organization in an amount greater than can be repaid by certain, otherwise unencumbered revenues within sixty days.
3. Use any-long term reserves.
4. Fail to settle payroll and debts in a timely manner.
5. Allow tax payments or other government-ordered payments or filings to be overdue or inaccurately filed.
6. Make a single purchase or commitment of greater than \$1,000.
7. Acquire, encumber, or dispose of real property.
8. Fail to aggressively pursue receivables after a reasonable grace period.

***Policy EL #2e: Emergency Executive Director Succession***

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In order to protect the board from sudden loss of Executive Director services, the Executive Director may have no fewer than two other board members familiar with board and Executive Director issues and processes.

Accordingly, the Executive Director shall annually announce to the board those individuals who have been designated to be familiar with board and Executive Director issues and processes.

***Policy EL #2f: Asset Protection***

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The Executive Director shall not allow the assets to be unprotected, inadequately maintained, or unnecessarily risked.

Accordingly, the Executive Director shall not:

1. Fail to insure against liability loss to the organization itself in an amount equal to the average for comparable organizations or as required by law, whichever is greater.
2. Unnecessarily expose the organization, its board, its staff to claims of liability.
3. Make a purchase (1) wherein normally prudent protection has not been given against conflict of interest; (2) of over \$500 without having obtained comparative prices and quality; (3) of over \$1,000 without a stringent method of assuring the balance of long-term quality and cost.
4. Fail to protect intellectual property, information, and files from loss or significant damage.
5. Endanger the organization's public image or credibility, particularly in ways that would hinder its accomplishment of mission.

***Policy EL #2g: Communication and Support to the Board***

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The Executive Director shall not permit the board to be uninformed or unsupported in its work.

Accordingly the Executive Director shall not:

1. Neglect to submit monitoring data required by the board in a timely, accurate, and understandable fashion, directly addressing provisions of board policies being monitored.
2. Let the board be unaware of relevant trends, anticipated adverse media coverage, and material external and internal changes, particularly changes in the assumptions upon which any board policy has previously been established.
3. Fail to marshal for the board as many staff and external points of view, issues, and options as needed for fully informed board choices.
4. Present information in unnecessarily complex or lengthy form or in a form that fails to differentiate among information of three types: monitoring, decision preparation, and other.
5. Fail to deal with the board as a whole except when fulfilling individual requests for information or responding to officers or committees duly charged by the board.

6. Fail to report in a timely manner an actual or anticipated non-compliance with any policy of the board.
7. Fail to supply for the consent agenda all items delegated to the executive director, yet required by law or contract to be board-approved, along with the monitoring assurance pertaining thereto.

***Policy EL #2h: Ends Focus of Grants or Contracts***

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The Executive Director may not enter into any grant or contract arrangements that fail to emphasize primarily the production of Ends and, secondarily, the avoidance of unacceptable means.

## **Governance Process Policy**

### ***Policy GP #1: Global Governance Process Policy***

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The purpose of the board, on behalf of its consumers, is to see to it that VSCCC (1) achieves what it should and (2) avoids unacceptable actions and situations.

### ***Policy GP #2a: Governing Style***

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The board will govern with an emphasis on:

1. outward vision,
2. diversity of viewpoints,
3. strategic leadership,
4. clear distinction of board and executive director roles,
5. collective decision making,
6. the future, and
7. proactivity.

Accordingly,

1. The board will allow not any officer, individual or committee of the board to hinder, or be an excuse for, not fulfilling board commitments
2. The board's major policy focus will be on the intended long-term effects outside the organization, not on the administrative or programmatic means of attaining those effects.
3. The board will enforce upon itself whatever discipline is needed to govern with excellence. Discipline will apply to matters such as attendance, preparation, policy-making principles, respect of roles, and ensuring continuance of governance capability. Continual board development will include orientation of new board members in the board's governance process and periodic discussion of process improvement.
4. The board will monitor and discuss the board's process and performance at each meeting. Self-monitoring will include comparison of board activity and discipline to policies in the Governance Process and Board-CEO Linkage categories.

### ***Policy GP #2b: Board Job Description***

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The job of the board is to represent its members in determining and demanding appropriate organizational performance.

Accordingly, the board will produce written governing policies that, at the broadest levels, address each category of organizational decision.

1. Ends: Organizational products, effects, benefits, outcomes, recipients and their cost or relative worth (what good for which recipients at what cost).
2. Executive Limitations: Constraints on executive authority that establish the prudence and ethics boundaries within which all executive activity and decisions must take place.
3. Governance Process: Specification of how the board conceives, carries out, and monitors its own task.
4. Board-CEO Linkage: How power is delegated and its proper use monitored; authority and accountability of the CEO role.

### ***Policy GP #2c: Chairperson's Role***

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The chairperson assures the integrity and fulfillment of the board's job and occasionally represents the board to outside parties.

1. The job result of the chairperson is that the board behaves consistently with its own rules and those legitimately imposed upon it from outside the organization.
  - a. Meeting discussion content will be only issues that, according to board policy, clearly belong to the board to decide, not the executive director.
  - b. Deliberation will be fair, open, and thorough but also timely, orderly and to the point.
2. The chairperson has no authority to make decisions about policies created by the board within Ends and Executive Limitations policy areas. Therefore, the chairperson no authority to supervise or direct the executive director.
3. The chairperson may delegate his or her authority but remains accountable for its use.

### ***Policy GP #2d: Board Member's Code of Conduct***

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The board commits itself and its members to ethical, businesslike, and lawful conduct, including proper use of authority and appropriate decorum when acting as board members.

1. Members must avoid conflict of interest with respect to their fiduciary responsibility
  - a. There must be no self-dealing or any conduct of private business or personal services between any board member and the organization, except as procedurally controlled, to assure openness, competitive opportunity, and equal access to inside information.
  - b. When the board is to decide upon an issue about which a member has an unavoidable conflict of interest, that member shall absent himself or herself without comment from not only the vote but also from the deliberation.
  - c. Board members must not use their positions to obtain employment for themselves, family members, or close associates. Should a member desire employment, he or she must first resign.
  - d. Members will annually disclose their involvements with other organizations, with vendors, or any other associations that might produce a conflict.
2. Members' interaction with public, press, or other entities must recognize the same limitation and the inability of the board member to speak for the board except to repeat explicitly state board decisions.
3. Members will give no consequence or voice to individual judgments of Executive Director or staff performance.
4. Members will respect the confidentiality appropriate to issues of a sensitive nature.

***Policy GP #2e: Board Committee Principles***

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Board committees, when used, will:

1. reinforce the wholeness of the board's job, and
2. not interfere with delegation from the board to the Executive Director.

Accordingly,

1. Board committees may not speak or act for the board except when formally given such authority for specific and time-limited purposes.
2. Committees will be used sparingly and ordinarily in an ad hoc capacity.
3. This policy applies to any group that is formed by board action, whether or not it is called a committee. It does not apply to committees formed under the authority of the Executive Director.

***Policy GP #2f: Cost of Governance***

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Because poor governance costs more than learning to govern well, the board will invest in its governance capacity.

## Board-Executive Director Linkage Policies

### ***Policy BEDL #1: Global Board-Executive Director Linkage Policy***

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The board's sole official connection to the operating organization, its achievement, and conduct will be through an Executive Director.

### ***Policy BEDL #2a: Unity of Control***

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Only decisions of the board acting as a whole are binding on the Executive Director.

### ***Policy BEDL #2b: Delegation to the Executive Director***

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The board will instruct the Executive Director through written policies that prescribe the organizational Ends to be achieved and describe organizational situations and actions to be avoided, allowing the Executive Director to use any reasonable interpretation of these policies.

1. The board will develop policies instructing the Executive Director to achieve certain results, for certain recipients at a specified cost. These policies will be developed systematically from the broadest, most general level to more defined levels and will be called *Ends policies*.
2. The board will develop policies that limit the latitude the Executive Director may exercise in choosing organizational means. These policies will be developed systematically from the broadest, most general level to more defined levels, and they will be called *Executive Limitations policies*.
3. Within reasonable interpretation of the board's Ends and Executive limitation policies, the Executive Director is authorized to establish all further policies, make all decisions, take all actions, establish all practices and develop all activities.
4. The board may change its Ends and Executive Limitations, thereby shifting the boundary between board and Executive Director domains. By doing so, the board changes the latitude of choice given to the Executive Director. But as long as any particular delegation is in place, the board will respect and support the Executive Director's choices.

### ***Policy BEDL #2c: Monitoring Executive Director Performance***

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Systematic rigorous monitoring of the Executive Director's job performance will be solely against the expected Executive Director job outputs: Ends and Executive Limitations.

1. Monitoring is to determine the degree to which board policies are being met.
2. The board will acquire monitoring data by one or more of three methods:
  - a. By internal report from the Executive Director, or
  - b. By external from a third party, or
  - c. By direct board inspection.
3. The standard for compliance shall be *reasonable Executive Director interpretation* of the board's policy.
4. All policies that instruct the Executive Director will be monitored at a frequency and by a method chosen by the board.



*Policy Compliance Measurements*

<b>Policy</b>	<b>Method</b>	<b>Frequency</b>
Treatment of Consumers	Internal	Annually
Treatment of Staff	Internal	Annually
Financial Planning and Budgeting	Internal	Quarterly
Financial Condition and Activities	Internal	Quarterly
Financial Condition and Activities	<i>External</i>	Annually
Emergency Executive Director Succession	Internal	Annually
Asset Protection	Internal	Quarterly
Communication and Support	Direct	Annually

## **Ends Policies**

### ***Policy E #1: Global Ends Policy***

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The Valley of the Sun will reduce petroleum usage and air pollution.

### ***Policy E #2a: Reduce Petroleum Usage***

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The Valley of the Sun conserves and/or replaces petroleum.

The use of alternative fuel or petroleum conservation:

1. Reduces our dependence on foreign oil, and
2. Increases our national security, and
3. Reduces our local economy's vulnerability to petroleum pipeline disruptions

### ***Policy E #2b: Reduce Air Pollution***

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Conservation and/or replacement of petroleum reduces air pollution.

Air pollution reduction improves Central Arizona's:

1. Quality of life
2. Appeal as a tourist destination
3. Public health